



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

09/924,671

08/07/2001

Kevin Miller

021756-068500US

3662

51206

7590

05/28/2009

TOWNSEND AND TOWNSEND AND CREW LLP  
TWO EMBARCADERO CENTER  
8TH FLOOR  
SAN FRANCISCO, CA 94111-3834

EXAMINER

BORLINGHAUS, JASON M

ART UNIT

PAPER NUMBER

3693

MAIL DATE

DELIVERY MODE

05/28/2009

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/924,671	<b>Applicant(s)</b> MILLER ET AL.	
	<b>Examiner</b> JASON M. BORLINGHAUS	<b>Art Unit</b> 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 09 March 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-18 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-18 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 4/30/09 has been entered.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 1 - 18** are rejected under 35 U.S.C. 101 because, in order to comply with §101 a process must (1) be tied to another statutory class of invention (such as a particular apparatus or system for performance of the claimed process) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

The method, recited in Claims 1 - 18, fail to (1) be tied to another statutory class of invention or (2) transform underlying subject matter to a different state or thing.

*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). There is no recitation within the claims to indicate that the steps that comprise the method are nothing but steps performed by a human being, alone, either physically or mentally.

Examiner notes that the preamble of the independent claim includes a nominal recitation of a system to perform the process and/or that the process is computer-implemented. Based upon recent decisions “[n]ominal recitations of structure [such as in the preamble] in an otherwise ineligible method fail to make method a statutory process.” *In Ex parte Langemyr (Bd. Pat. App. & Inter. 2008) citing Gottschalk v. Benson, 409 U.S. 63 at 71 – 72 (1972).*

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**Claims 1 – 18** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 claims "if the measured number of bids exceeds the minimum bid threshold, extending the duration of the auction automatically and setting a new auction end time." Usage of the term "if" is deemed to be optional language, as there remains the possibility that the proposed optional claim limitation is not exercised nor triggered. As a matter of linguistic precision, optional claim elements do not narrow claim limitations, since they can always be omitted. (*see MPEP § 2106 II C*). As the Applicant does not address what happens should the optional claim limitations fail, Examiner assumes that nothing happens (i.e. the method stops). Applicant is encouraged to

Art Unit: 3693

incorporate claim language that addresses the steps performed should the optional claim limitation fails.

Claims 8 and 15 suffer from similar issues.

### ***Claim Rejections - 35 USC §103***

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

**Claims 1 – 6** are rejected under 35 U.S.C. 103(a) as being unpatentable over Do (US PG Pub. 2002/0007338) in view of Alaia et al (US Patent 6,199,050).

**Regarding Claim 1**, Do discloses in an electronic commerce exchange, an auction method, system and apparatus for implementing automatic extension of an auction in response to bidding activity from auction participants, comprising the steps of:

Art Unit: 3693

- setting an end time for concluding an auction (expiration of bidding timer) and a minimum bid threshold (total number of bids received) for postponing the end time for concluding the auction (resetting the bidding session timer), the minimum bid threshold representing a total number of a plurality of bids that must be received before the auction end time. (see . para. 62 – 63);
- receiving bids from remote bidders via a distributed computing network. (see para. 5);
- dynamically updating the minimum bid threshold based on the bids received from the remote bidders. (see para. 62 – 63);
- measuring a number of bids received before the auction end time. (see para. 62 - 63);
- if the measured number of bids exceeds the minimum bid threshold (total number of bids received), extending the duration of the auction automatically and setting a new auction end time (resetting the bidding session timer). (see para. 62 - 63); and
- notifying (updating) auction participants (bidders) of the new auction end time. (see para. 62 – 63).

Do does not explicitly state that the plurality of bids must be received within a **predetermined time** of the auction end time.

Alaia discloses a method wherein the plurality of bids must be received within a predetermined time of the auction end time (time interval  $t$  before the scheduled close). (see col. 4, line 65 – col. 5, line 4).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Do by incorporating a predetermined time, as disclosed by Alaia, allowing the user to tightly control the parameters for extending an auction.

**Regarding Claims 2 - 6**, Do discloses a method further comprising:

- a step of setting a start time of the auction (date and time). (see para. 91 - 94);
- the threshold number of bids (total number of bids received) is user defined (see para. 52; 62 – 63);
- the duration of the extension from the new auction end time (time to extend the bidding session) is user defined. (see para. 91 - 94); and
- the step of extending the duration of the auction a plurality of times (repeatedly) where the greater number of bids is received within the predetermined time respectively (see 62 – 63).

Do does not explicitly state that the predetermined time is user defined.

Alaia discloses a method where the predetermined time is user defined (see col. 4, lines 23-40; col. 6, lines 63-67; col. 7, lines 1- 30; col. 9, line 25+; col. 14, lines 23-59).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Do and Alaia by incorporating a user-defined predetermined time, as disclosed by Alaia, allowing the user to tightly control the parameters for extending an auction.

**Claims 7 – 14** are rejected under 35 U.S.C. 103(a) as being unpatentable over Do and Alaia, as applied to Claim 1 above, and further in view of eBay Help Basics, Frequently Asked Questions on Bidding (hereinafter, eBay).

**Regarding Claim 7**, Do does not disclose a method including a step of setting a minimum bid difference at which a succeeding bid must differ from a preceding bid from the remote bidders.

Ebay discloses a method of setting a minimum bid difference at which a succeeding bid must differ from a preceding bid from the remote bidders, as is well known in auction practice, called bid increments (see pp. 1-4, especially 2).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified the auction method of Do and Alaia to include the bid incrementation of Ebay because such incorporation would have made the auction more user-friendly and efficient.

**Regarding Claim 8**, such claim recites substantially similar limitations as claimed in previously rejected claims, Claims 1 and 7, and, therefore, would have been obvious based upon previously rejected claims or are otherwise disclosed by the prior



Art Unit: 3693

art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

**Regarding Claim 9 - 14**, Do does not teach a method wherein the parameters are altered dynamically after the start time of the auction or during said auction.

Alaia discloses a method wherein

- the parameters are altered dynamically after the start of the auction. (see abstract; col. 9, lines 61 – 65);
- the predetermined time is altered dynamically after the start time of the auction (col. 9, lines 3-41);
- the duration of the extension from the new auction end time is altered dynamically after the start time of the auction (col. 9, lines 3-41); and
- extending the duration of the auction a plurality of times where the greater number of bids are received within the predetermined time respectively (col. 7, lines 19-31; col. 9, lines 3-41).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Do, Alaia and Ebay to allow for a user to pause and alter system parameters after the start time of the auction, as suggested by Alaia, allowing for corrections that may be required during the course of an auction.

**Claims 15 - 18** are rejected under 35 U.S.C. 102 as being unpatentable in view Do and Alaia, as applied to Claim 1 above, and in further view of Brett (US Patent 6,704,713).

**Regarding Claim 15**, such claim recites substantially similar limitations as claimed in previously rejected claim, Claim 1, and, therefore, would have been obvious based upon previously rejected claim or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

Do does not explicitly disclose a method wherein the threshold number of bids is communicated as a measured rate of incoming bids, although such is a matter of numerical interpretation.

Nonetheless, Brett discloses a method for automatically extending an auction if the measured rate of incoming bids exceeds a predetermined threshold, automatically extending the duration of the auction and setting a new auction end time. (see col. 13, lines 1 – 45).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Do and Alaia by incorporating a measured rate, as disclosed by Brett, allowing for an alternative numerical representation of the threshold number of bids required for auction extension.

**Regarding Claims 16 – 18**, such claims recite substantially similar limitations as claimed in previously rejected claims, Claims 9 - 14, and, therefore, would have been obvious based upon previously rejected claim or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

### ***Response to Arguments***

Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on Monday - Friday; 9am - 5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on (571)272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Application/Control Number: 09/924,671  
Art Unit: 3693

Page 11

/Jason M Borlinghaus/  
Primary Examiner, Art Unit 3693  
May 26, 2009